

Exhibit 1.5

Milwaukee Water Works

Safe, Abundant Drinking Water.



Public Service Commission of Wisconsin
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March 16, 2010

Ms. Sandra Paske
Secretary to the Commission
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

**Re: Application of Milwaukee Water Works, Milwaukee County, Wisconsin,
for Authority to Increase Water Rates, Docket No. 3720-WR-107**

Ms. Paske:

Milwaukee Water Works and Clean Wisconsin have been working collaboratively since October 2009 to explore conservation program options for implementation. We have refined our objectives to assist customers with reducing wasted water and conserving the valuable resource. We are pleased to provide the Commission with this letter of understanding outlining the results of this collaborative process and the plans we have for the Milwaukee Water Works water use education program over the next year.

As part of the EPA WaterSense "Fix a Leak Week" (March 15 to 19, 2010), Milwaukee Water Works and Clean Wisconsin are launching an educational effort focusing on fixing leaks in common household fixtures such as toilets, faucets and showers, as well as common outdoor leak areas. The enclosed flyer was developed for this effort and will be made available to Milwaukee Water Works customers. Also under development is a "bucksip," a 1/3 page, two-sided notice to be inserted into the municipal service bills encouraging customers to look for and repair any leaks prior to the rate increase going into effect.

We are jointly drafting a more substantive brochure to distribute to customers as part of our program rollout over the coming weeks. This brochure will establish the foundation for the Milwaukee Water Works water usage program by educating customers on how water use is metered, how to address common household water leaks, and how to adjust everyday activities to use water wisely, such as using washing machines and dishwashers less often, replacing showerheads, installing aerators on faucets, and replacing aging toilets, washing machines, dishwashers with more water-efficient models. Initially, this brochure will be sent (with a cover letter) to customers whose water use over a recent billing period was much higher than typical and will be offered to customers who have called the Milwaukee Water Works Customer Service with questions regarding their bill (whether or not they have high water usage). Dye tablets to test toilets for leaks will be included in these mailings. This brochure will include a guide for single family residential customers to determine if they may have a leak problem, based on their household usage compared to the average usage for single family residential customers in the Milwaukee Water Works service area, or other baselines.

A considerable amount of information has already been made available to customers on the Milwaukee Water Works website, www.milwaukee.gov/water.

In designing this phase of our water usage program development, we are focusing on residential customers. The highest priority customers to reach are those with excessive water usage identified through the billing process. Other customers will be reached through the city permitting process for plumbing work (both property owner and plumber will receive information when a permit is applied for) and City of Milwaukee Department of Neighborhood Services Plumbing Inspectors will distribute information when they conduct premise inspections. Milwaukee Water Works employees will present information to residents when water meters are exchanged. Gradually, the program will expand to include landlord, homeowner, and condominium associations to educate customers, on a voluntary basis, by adding a water overuse presentation to events and meetings that are already planned.

The work during the first year of this program will be done by Milwaukee Water Works staff in collaboration with Clean Wisconsin. Clean Wisconsin anticipates a new position at their organization to promote conservation throughout Wisconsin, who will be available to assist Milwaukee Water Works. In addition, Milwaukee Water Works will be requesting a new position in the City of Milwaukee 2011 budget to enhance the ability to do outreach in the community and expand the programs. It is anticipated that collaboration with Clean Wisconsin will continue into the future.

The goal of this education campaign is to establish a foundation for initiatives that will allow customers to reduce wasted water while protecting the environment. We appreciate the effort both Milwaukee Water Works and Clean Wisconsin have put forth in this process and look forward to working collaboratively with each other to make this program a success.

Sincerely,

MILWAUKEE WATER WORKS



Carrie Lewis
Superintendent

CLEAN WISCONSIN



Melissa Malott
Water Program Director

Enclosures



Fix a Leak Week Family Fact Sheet

Fix a Leak Week, sponsored by the U.S. Environmental Protection Agency's WaterSense® program, takes place in March. It's a time when families are encouraged to check for water leaks and drips in bathrooms, kitchens, and yards at home.

**Milwaukee
Water Works**

Safe, Abundant Drinking Water.



What Is WaterSense?

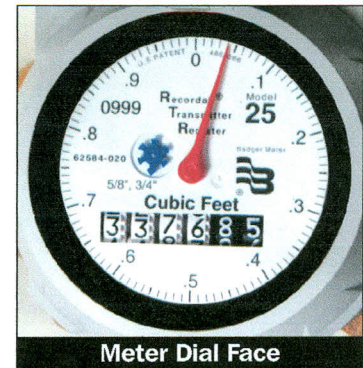
The U.S. Environmental Protection Agency, or EPA for short, is the part of our nation's government that helps to protect the air we breathe, the water we drink, and the land where we live. EPA's WaterSense program encourages Americans to use only the water they need and avoid wasting this precious resource. This concept is known as "water efficiency."

The Facts on Leaks:

- Sewer charges are directly related to water use. Both City of Milwaukee and Milwaukee Metropolitan Sewerage District charges are based on the amount of water that passes through your water meter, whether you consumed the water or it leaked and was wasted.
- Water-wasting leaks include running toilets, dripping faucets, and other leaking pipes around your home. Most of these leaks are easy to fix with parts from your local hardware store, or call a professional plumber for help.
- Fixing these leaks can save your family more than 10 percent on water bills. That's like saving \$1 for every \$10 spent on water.

Finding Leaks:

- You are charged for all water that passes through the water meter and into your home, whether you enjoyed a cold drink or a hot shower or the water dripped, leaked and was wasted. Find the meter in the basement (or first floor if there is no basement), along the wall nearest the street.
- Turn off all faucets and showers and make sure no one flushes the toilet while you do this meter check. Open the cover on the meter and look at the small blue wheel on the meter face. If it is moving slowly or spinning fast, you probably have water leaks.
- Walk through your house listening for running toilets and looking for drips. Drips usually mean leaks.
- Find out if your toilet is leaking silently by placing a drop of food coloring in the toilet tank (that's the area behind the toilet seat—ask for mom or dad's help to remove the lid). If color shows up in the toilet bowl after 15 minutes without flushing, you have a leak.



Meter Dial Face

Faucets:

- Take a watch or clock with a second hand and time how often your faucet drips. A leaky faucet that drips at the rate of one drip per second can waste more than 3,000 gallons in a year!
- There are parts that hold your faucet together called washers and gaskets—they can wear down and cause drips. These parts are inexpensive and easy to replace. Find them at your local hardware store.
- There's also a little screen device called an "aerator" that can be screwed onto the tip of your faucet—it adds air into the water stream so you can use less water to wash your hands or brush your teeth without noticing a difference in water flow. Look for the WaterSense label when buying an aerator or replacing a faucet—that means the product will work well and save water.

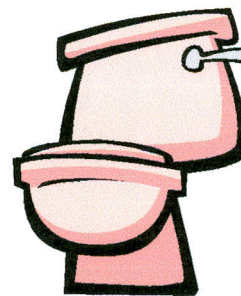
Showers:

- Showerheads—the place where water comes out in streams at the top of your shower—can also get old and leak, even when the water is not on. A showerhead that drops just 10 drips in a minute wastes more than 500 gallons per year. That's enough water, if you saved it all up, to wash 60 loads of dishes in your dishwasher.
- Most leaky showerheads can be fixed by making sure they're screwed in tight. Wrap the showerhead connection in "pipe tape," available at hardware stores, and use a wrench to tighten it.



Toilets:

- It's one of the oldest prank phone calls—"Is your toilet running? Then you'd better catch it!" But a running toilet is no joke. If you can hear the water in your toilet making noise, even when no one flushed recently, you have a running toilet that could be wasting 200 gallons of water or more every day. Sometimes you just need to jiggle the handle to fix it, but sometimes a part needs to be replaced.
- Many toilets leaks are caused because the "flapper" is decayed or broken. The flapper is a rubber piece that opens up to let the water flow from the tank into the bowl when you pull down on the toilet handle. You can easily fix this leak with parts from your local hardware store. Ask at the store for help choosing the correct parts. If your toilet continues to leak, call a professional plumber.
- If you have to replace a leaky toilet, look for a new one with the WaterSense label to save both water and money on your water and sewer bills.



Outdoors:

- Check your garden hose for leaks where it connects to the side of the house. If it leaks when the hose is turned on, make sure the hose is screwed in tight. If that doesn't work, replace the nylon or rubber hose washer or wrap the "spigot," which is the metal faucet where the end of the host attaches to the wall, in pipe tape.
- If you have a sprinkler system that waters your lawn, check the system each spring before turning it on to make sure the sprinklers were not broken during the winter or have sprung any leaks.

For more information, visit
www.epa.gov/watersense/fixaleak
and
www.milwaukee.gov/water

Most leaks are easy to fix with parts from your local hardware store.
If you need help, contact a professional plumber.

Milwaukee Water Works Customer Service Center

Monday – Friday, 7:30 a.m. – 5:00 p.m.

Telephone (414) 286-2830 • Fax (414) 286-2672

TDD (414) 286-2025

Email: watwebcs@milwaukee.gov

Milwaukee Water Works 24-Hour Control Center, (414) 286-3710

Para una explicación en español, por favor llame (414) 286-2830.





Fix a Leak Week Student Worksheet

Use Water Wisely. Learn how to find leaks and save water and money at home.

Milwaukee Water Works

Safe, Abundant Drinking Water.



Name: _____

Lesson 1: Watch the Clock (and the Meter)

What's the big deal with drips? Small leaks can add up to big water waste, leading to high water and sewer charges. Try these activities and math problems to see how fast water waste adds up.

Activity: Check Your Water Meter

Drinking water utilities provide clean running water to our homes, schools and businesses. They keep track of how much water flows into your house each billing period using a water meter.

You are charged for all water that passes through the meter and into your home, whether you enjoyed a cold drink or a hot shower, or the water dripped, leaked, and was wasted down the drain. Meters are located in the basement or first floor if there is no basement, along the wall nearest the street.

Here are the two kinds of meters used in the Milwaukee area. Which one do you have in your home?

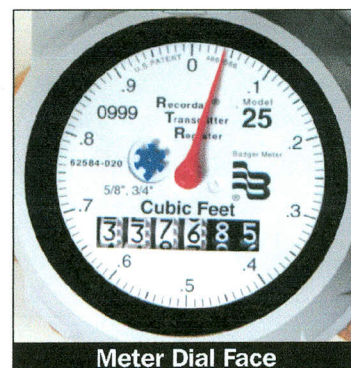


Standard Meter



Horn Meter

Look at the meter dial face. The four black numbers on the white background show water used in hundred cubic feet, or one Ccf. One Ccf = 748 gallons. The two white numbers on the black background show water used in cubic feet. The red needle shows tenths of cubic feet. The reading on this meter is 3,376.8504 Ccf. For each billing quarter, the previous reading is subtracted from the current reading. Charges for water and sewer are based on the difference, which reflects the water used in those three months.



Meter Dial Face

Here is how to discover if your home has leaks.

Turn off all faucets, showers, and make sure no one flushes the toilet while you do this check. Go to the water meter and lift the lid. Look at the small blue wheel on the meter face. If it is moving slowly or spinning fast, you probably have water leaks.

See how much water you use in your house from Monday to Friday.

On Monday, read your water meter and write the six numbers you see in the horizontal box on the meter:

--	--	--	--	--	--

On Friday, go back to the meter and again, write the six numbers here:

--	--	--	--	--	--

Did the numbers change?

- How much water was used? _____
- Where is the meter located in your house? _____
- What unit of measure does your water meter use? _____

Bonus: Convert your water meter reading from cubic feet to gallons. Use the Conversion Equation. Use the meter reading on the meter dial face above for this exercise. Write your answer here: _____

Conversion Equation

Cubic Feet to Gallons

1 cubic foot = 7.48 gallons

100 cubic feet = 748 gallons

Fix Leaks Now before the 2010 Water Rate Increase

It's time to take action to control your water costs before a water rate increase takes effect in 2010. You can control your water costs by finding and fixing household leaks.

A rate increase request is being considered by the Public Service Commission of Wisconsin. The cost of water for the average single family residential account in Milwaukee would increase about \$11 per quarter, to about \$50 per quarter, depending on the rate that is approved.

Milwaukee will continue to have low rates for fresh, safe drinking water compared with the rest of the United States. The U.S. Environmental Protection Agency (EPA) says Americans on average pay \$500 per year for municipal drinking water. The new rate in Milwaukee would be about \$200 per year.

But leaks waste tremendous amounts of water. A toilet that "keeps running" or a dripping faucet can easily waste hundreds of gallons of water in only one month.

Here's how water costs add up -- both City of Milwaukee and Milwaukee Metropolitan Sewerage District (MMSD) charges are based on the amount of water that passes through your water meter, whether you consumed the water or it dripped, leaked and was wasted down the drain. A toilet that overflows one gallon every five minutes will waste 288 gallons per day, costing you \$129.00 each billing quarter (water charge = \$47.00 + MMSD charge = \$43.00 + Milwaukee city sewer charge \$39.00 = \$129.00)

Most leaks are easy to repair with parts from your local hardware store. Ask for assistance in choosing the correct parts. Or, call a professional plumber for help.

- Look for Use Water Wisely on our website, www.milwaukee.gov/water or call Customer Service to receive a printed flyer; Monday-Friday, 7:30 a.m.-5 p.m. at (414)286-2830.
- Use el agua racionalmente y controle los costos del suministro. Para una explicación en español, por favor llame al (414) 286-2830.

Use Water Wisely – Control Water Costs

As your drinking water provider, we work to control costs by eliminating leaks in our treatment and distribution systems. Leaks that occur inside homes and businesses are the responsibility of the property owner. The average single family residence in Milwaukee typically uses 19 Ccf of water per billing quarter, or 14,212 gallons. If you are using much more than that each quarter, you may have water leaks.

You may have a plumbing leak if:

- You hear the continuous sound of water (like a toilet running) when nothing is turned on.
- Your water meter reading changes when you are not using any water. See Water Meter Test below.
- Your water bill escalates over a period of weeks or months.
- Your walls or floors have wet, spongy, moist or discolored areas when nothing has been spilled.
- You smell foul odors coming from floors or walls near drains or sewers.

- Your building foundation cracks, vegetation grows unevenly, or earth shifts for no apparent reason.
- You see water bubbling up in your front yard.

Get to know your water system

Familiarize yourself with your home water system and this information. Saving water is like any other habit. The more you do it, the more natural it becomes.

- Locate your water meter and your master water supply shut-off valve. Make sure everyone in your household knows how to turn off the water supply in the event of an emergency.
- Make a routine indoor/outdoor check every season and fix leaks you may find.
- Evaluate your water use and make changes where you identify waste. Track and compare your quarterly water use by looking at your account at (www.milwaukee.gov/water).

Locate Your Master Valve

Find the master water supply shut-off valve that controls water flow into the building. If there is an emergency, you will not waste time searching while the basement floods or carpeting is drenched. Find the valve:

- where the water supply enters the home, such as the foundation near the street side of the building at the water meter
- near the clothes washer hookup
- near the water heater

Find and Read Your Meter

Your water meter is the best detective in the home – it can tell whether you have leaks. The water meter accurately measures the amount of water used. The meter is the only part of the building that is owned and maintained by the Milwaukee Water Works. All other plumbing valves and piping repair, including the piping from your home to the street curb valve, is the responsibility of the property owner. The water meter is typically located in the basement on the street side of the building.

The meter records water use just as your car's odometer records mileage. Meters used by the Milwaukee Water Works record water in hundred cubic feet (1 Ccf). One Ccf equals 748 gallons. Meters are never reset. The dial face of the meter has a small blue leak detector wheel or a sweep hand that spins to record smaller volumes of water that are typical of leaks.

To find how much water you have used in any given period, just subtract the number on your last bill from the current meter reading. Check your water use on a recent bill or at Account Information, www.milwaukee.gov/water/. A family of four typically uses 19 Ccf per quarter. If you are using much more than that, you may have water leaks.

Make a Water Meter Test for Leaks

A simple procedure can detect leaks that may exist anywhere in your home.

1. Locate your water meter.
2. Turn off all water - inside and outside. Leave your master valve open.
3. Read your meter and write down the figure. Your meter has a small blue indicator wheel for detecting leaks. If it is moving, you may have a leak..
4. Wait two hours and read your meter again.
5. If the figure has changed, there is a leak somewhere. Your next step is to find it. Is the leak inside your home or in the service line?
6. Turn the water off at your master valve.
7. Repeat steps 3 and 4.
8. If the figure changes again, the leak is in the service line. If the figure does not change, the leak is past the master valve and probably inside your home.

If the leak is in your service line, we suggest you call a plumber. If the leak is inside your home, continue to check for leaks in your toilets, faucets and appliances.

Use this Leak Detection Checklist

In the Kitchen | Laundry

- One of the most common areas for water loss is the kitchen sink area. Check under cupboards once a week for wet spots or bowed cabinetry.
- Keep drinking water in the refrigerator so you don't have to run the tap until the water gets cold enough to drink.
- Run only full loads in your dishwasher.
- Scrape used plates with a utensil instead of rinsing then off with running water.
- Don't continuously run water in the sink. Hand wash dishes in a sink full of soapy water; rinse all at once. Soak hard-to clean pans overnight.
- Flow restrictors and other conservation devices can cut your water use. Check your local hardware stores for these fixtures.

In the Bathroom

- Check sinks for drips or leaks once a week.
- Check grout and tiles in shower area. Are any loose? Is grout missing, allowing water to flow beneath the tiles?
- Check toilets for leaks. Remove the cover and drop a teaspoon of food coloring into the tank. If the color appears in the bowl after 15 minutes, have the "flapper" valve replaced. If leaks continue, have a professional plumber check your system.
- Decrease the amount of water used per flush. Replace regular or older toilets with low flush models or put water displacement devices inside every toilet tank. Make them from plastic water bottles weighted down with pebbles. Do not put bricks in the toilet tank -- they can dissolve and clog siphon jets.
- Flow restrictors and other devices can cut your water use. Purchase these at your local hardware store.

In the Basement

- Wrap exposed indoor and outdoor pipes to prevent breakage in freezing weather.
- More information about preventing pipes and the water meter from freezing is available at www.milwaukee.gov/water See Customer Service FAQs – How To

Outside of the house

- Walk around your property during warm weather months once a week to look for spongy or mushy ground where broken pipes might be hidden.
- Check sprinklers for jammed or malfunctioning heads.
- Use accurate, efficient sprinklers or drip irrigation systems instead of hand watering.
- Water lawns during the coolest times of the day, before 10:00 a.m. or in the evening.
- Deep-soak lawns long enough for water to seep down to the roots, where it is needed. Water deeper and less often.
- Dig basins around individual plants to prevent run-off while watering.
- Put a layer of mulch around trees and plants to slow moisture evaporation.
- Landscape with native plants that use little water.
- Pull weeds as they steal water from desirable plants.
- Sweep driveways, sidewalks and steps.
- Use a commercial car wash.

Hot tubs and pools

- Do regular leak checks-ups. A leak in the hot tub or pool area can waste 1,000 gallons or more per day. Watch for sinking ground around the hot tub or pool.
- Pay particular attention to your automatic water filler. If it's faulty, your water bill will increase.
- Keep track of the amount of chemicals you normally use. An increase in use could indicate a leak.
- Your automatic filler should not continually release water.
- Use a pool/spa cover to cut down on water loss (and heating costs) caused by evaporation.

How to Fix Leaking Faucets

The most common cause of leaks is a worn washer. Here is how to fix a washer on simple faucets:

1. Shut off the water at the nearest shut-off valve or at the master valve.
2. Loosen the cap nut by turning counter clockwise. Turn the faucet handle in the direction of opening until it comes off.
3. Lift out the faucet assembly.
4. Unscrew the brass setscrew which holds the washer in place.
5. Remove the old washer. Flush or wipe the cup clean.
6. Select the proper size replacement washer and insert it. Then replace the setscrew.
7. Replace the assembly. Turn the faucet handle as far as possible to close it. Then loosen the handle slightly.
8. Replace cap nut. Close the faucet. Turn on the water.

How to Fix Leaking Toilets

Toilets are notorious for their silent and also loud, "running water" leaks.

- Put a few drops of food coloring in the toilet tank. Wait 15 minutes (without flushing). If colored water appears in the bowl, you have a leak. The flush valve ball probably needs to be replaced.
- If the flush valve ball is not worn, check to see whether it fits into the flush valve snugly. If this valve is corroded, clean it. Then, if the ball still will not seat properly, straighten the guide wire and make sure it is not catching anything. (Newer toilets have a chain and "stopper ball" instead of the guide wire and flush valve ball.) If it still leaks, replace the flush valve ball.
- Sprinkle a small amount of talcum powder on top of the water in the tank. If this powder moves toward the overflow tube, you probably have an overflow leak. Gently bend the float arm down to shut off the valve before water spills into the tube.
- If your toilet whistles, whines or will not shut off after adjusting the float ball, you may need a new ball cock assembly. Hardware and plumbing stores sell complete replacement or conservation kits with instructions.
- If your toilet continues to leak, call a professional plumber for assistance.

Other Tips

The U.S. Environmental Protection Agency offers a complete guide to fixing leaks around the home:

http://www.epa.gov/WaterSense/water_efficiency/howto.html

Repare goteos y fugas alrededor del hogar (En Español)

<http://www.epa.gov/WaterSense/resources/como.html>

Save this information and keep it handy and use it to do a full leak check on your house every season of the year.

Using Water Wisely saves you money and preserves our precious water resources.